

FEDLINE EFT WORKPROGRAM

(FILE NAME ON DISK # 3 = IS-WP#14.WPD)

CHAPTER 19WP

COMMENTS

This section is intended to determine the adequacy of controls over the specific Fedline EFT activities of the organization. Although these applications should operate outside the IS environment, they are highly dependent on computer operations. The procedures are created so that they may be implemented separately as part of either the IS examination or safety and soundness examinations. The examiner should document any findings, especially those which do not satisfy the recommendations in the *1996 FFIEC IS Examination Handbook*. There are no Tier II procedures in this workprogram. (Note: Even though some of the keystrokes are provided as examples, the examiner should never obtain the information identified directly from the terminal. Rather, the examiner must always request such information from the institution.)

GENERAL

1. Obtain a screen print of the miscellaneous security settings screen (option #99 on LA menu).
2. Obtain a User-ID Status Report (option #60 on LA menu – type all to get all users).
3. Obtain a User/Access Report (option #65 on LA menu – press enter key for all users).
4. Obtain a screen print of the verify fields screens (option #93 on FT menu of manager) (structured, structured draw down and non-structured).
5. Obtain a screen print of the verify threshold screen (option #96 on FT menu of manager)

FEDLINE WIRE TRANSFER APPLICATION

6. Are the miscellaneous security settings set correctly (refer to step 1) and:
 - a. Will the user ID be suspended after three or less tries?
 - b. Must the user change his/her password every 30 days or less?
 - c. Is the verification rule set to E or U?
 - d. Is the override and release rule set to E or U?
 - e. Is the timeout interval set to 10 minutes or less?

7. Does the User/Access Report (refer to step 3.):
 - a. Show that the staff member(s) assigned as Local Security Administrator has (have) the proper LA application security setup and:
 - 1) Is the staff member(s) assigned the LA application restricted from the funds transfer (FT) application?
 - 2) Is the staff member(s) assigned the LA application restricted from the host communications (HC) function?
 - 3) Is the staff member(s) assigned the LA application restricted to *only* the LA application?
 - b. Show that no one has more than one user ID.
 - c. Show that there are no more than two staff members assigned as local security administrators?
 - d. Show that no one has the funds transfer supervisor or manager function on a continuing basis?
 - e. Show that no one other than the Local Security Administrator(s) has (have) the LA application?
8. Do the three verify screens show (refer to #4 above):
 - a. An X in the amount field?
9. Does the verify threshold screen reflect (refer to #5 above):
 - a. The verify threshold set to 0.00?
 - b. If the verify threshold is greater than 0, that the amount has been approved by the board of directors and noted in the board minutes?
10. Is the Master User ID password stored in a sealed envelope in a secure location in case the Local Security Administrator(s) is (are) not available?
11. Is the Fedline *configuration diskette* stored in a secure location and available only to the Local Security Administrator?

12. Does the Fedline terminal have a power-on pass word option? If yes:
 - a. Is it activated?
 - b. Is this password restricted from the Local Security Administrator(s)?
13. Disaster/Contingency Plan
 - a. Does the bank have a method for sending/receiving wire transfers in the event of equipment failure?
 - b. Does the bank have a method for sending/receiving transfers if they must operate at a different site?
 - c. Does the bank keep a copy of the current version of the Fedline software available on diskette?
 - d. Does the bank periodically make a static file backup of the Fedline software?

CONCLUSIONS

14. Review the results of work performed in this chapter and in chapters for Examination Planning, Internal/External Audit, and Management (Chapters 3, 8, and 9). If the results reflect significant control deficiencies reach a conclusion. Workpapers should reflect the examiner's review process.
15. Discuss with management:
 - a. Violations of law, rulings, regulations or significant internal control deficiencies.
 - b. Recommended corrective action for deficiencies cited.
 - c. Management's proposed actions for correcting deficiencies.
16. Assign rating (see Chapter 5 for additional information).
17. Prepare an index of workpapers for this section of the workprogram.

18. Prepare a separate summary findings worksheet for this section of the workprogram. The summary should include a discussion of IS control strengths, weaknesses, deficiencies, or other problem and/or high risk areas. Also include important facts, findings, examiner conclusions, and, if applicable, recommendations. Present conclusions about the overall condition of IS activities in this workprogram area. In addition, provide any additional information that will facilitate or enhance future examinations.

Examiner | Date
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Reviewer's Initials